IN THE HIGH COURT OF JUDICATURE, ANDHRA PRADESH
AT HYDERABAD

(Special Original Jurisdiction)

FRIDAY, THE TWENTY SECOND DAY OF JULY
TWO THOUSAND AND FIVE

PRESENT

THE HON'BLE MR JUSTICE V.V.S.RAO

-

WRIT PETITION NO : 19009 of 2001

Between:

Jammigumpula Krishna Murthy, S/o.Narasimha Rao,
R/o.Pulipadu, Gurazala Manadal,
Guntur Dist.

..... PETITIONER

AND

1 Chaitanya Grameena Bank, Rep. by its Branch Manager,
Pulipadu Village, Gurazala Mandal, Guntur Dist.
2 Chaitanya Grameena Bank Rep.by its Chairman
Head Office , Tenali, Guntur Dist.

.....RESPONDENTS

Petition under Article 226 of the constitution of India praying that in the circumstances stated in the Affidavit filed herein the High Court may be pleased to issue a Writ of Mandamus or any other appropriate Writ, Order or direction, declaring the Circular issued by the 2nd respondent in CIR No.53, Ref.No.AFD/10, dt.25.5.2001 as illegal, arbitrary, and beyond the scope and power of the 2nd respondent and consequently set aside the same.

Counsel for the Petitioner:MR.SUBBA RAO KORRAPATI

Counsel for the Respondent Nos.1 and 2: MR.K.SRINIVASA MURTHY

GP FOR COOPERATION

The Court made the following :

THE HON'BLE SRI JUSTICE V.V.S.RAO

WRIT PETITION NO.19009 OF 2001

ORDER:

The petitioner questions the circular issued by first respondent whereby and whereunder the National Agricultural Insurance Scheme of General Insurance Corporation of India was communicated to all its banks including second respondent bank. It is the grievance of the petitioner that the levy and deduction of premium towards group insurance is detrimental to the interest of the formers and it is not authorized.

The question raised in this Writ Petition was considered by this Court in Writ Petition No.11882 of 1987 and batch, dt.23.8.1988, and upheld the crop insurance scheme. Subsequently, other Hon'ble learned Judges of this Court also dismissed similar writ petitions. A Division Bench of this Court in Writ Appeal No.346 of 1992 dated 5.2.1997 also upheld the scheme. Further, in **Andhra Pradesh Ryhtu Sangham v. Union of India,** another Division Bench of this Court considered the earlier orders and upheld the validity of the scheme observing thus.

> We are of the opinion that the scheme benefits the farmer indemnifying him against the crop loss. The amount of loan will be recovered from the insurance amount thereby a double purpose is served. The poor cultivator is indemnified against loss and the financial institutions, which are Cooperative Banks, are indemnified against loss by the General Insurance Corporation. This is a social security measure meant for the benefit of rural population and benefits only those who taken loans from the financial institutions. In other

> words, it is limited to the class of people who are getting subsidized loans from such institutions who themselves have got to be saved against ruin by general calamities affecting the area in question. Such a scheme cannot be said to be in any manner unreasonable or arbitrary.

In view of the judgment of the Division Bench, it cannot be said that the petitioners herein have any grievance. The scheme is upheld as it is benefiting to small farmers to avail subsidized loans. The Writ Petition is devoid of merits and is liable to be dismissed.

The Writ Petition is accordingly dismissed.

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(V.V.S.RAO, J)

22.7.2005

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To

1 The Branch Manager, Chaitanya Grameena Bank,
Pulipadu Village, Gurazala Mandal, Guntur Dist.
2 The Chairman, Chaitanya Grameena Bank
Head Office , Tenali, Guntur Dist.

3 2 CCs to G.P. for Cooperation, High Court Bldgs., Hyderabad (OUT)

4 2 CD copies.